

State of California
Business, Transportation and Housing Agency
Department of Transportation

HIGHWAY FINANCIAL MATTERS
Allocations for Supplemental Funds
Resolution: FA-02-02

Prepared By:
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Division of Programming
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CTC Meeting: August 22, 2002

Reference No.: 2.5e

Original Signed By
ROBERT L. GARCIA
Chief Financial Officer
August 1, 2002

**ALLOCATION FOR ADDITIONAL FUNDS
FOR PREVIOUSLY APPROVED PROJECTS**

RESOLUTION FA-02-02

RECOMMENDATION

The Department recommends that the California Transportation Commission (Commission) approve the following Resolution.

FINANCIAL RESOLUTION

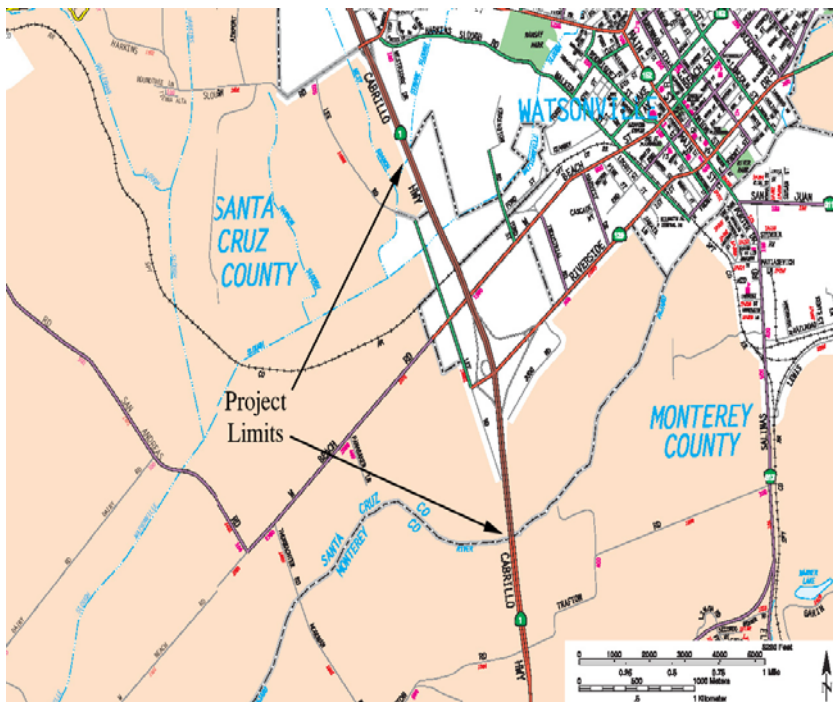
Resolved that \$780,000 be allocated from Budget Act Items 2660-301-0042 and 2660-301-0890 of the Budget Act of 1996 and 1998 to provide additional funds for the projects on the attached sheet.

SUMMARY AND CONCLUSIONS

This resolution allocates \$780,000 of additional State and Federal funds for two (2) previously approved projects listed below:

<u>Project</u>	<u>Dist-Co-Rte</u>	<u>Original Vote/G11 Amount</u>	<u>Award Amount</u>	<u>Current Budget Amount</u>	<u>Current Allocation Revision</u>	<u>Revised Budget Amount</u>	<u>Total Increase Vote/Award</u>
1	05-SCr-1	\$6,179,000	\$6,043,000	\$6,847,300	\$275,000	\$7,122,300	18%A
2	10-Mer-99	\$24,900,000	\$23,720,000	\$26,292,000	\$505,000	\$26,797,000	13%A

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Item # Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
2.5e Supplemental Funds for Previously Voted Projects			Resolution: FA-02-02		
1 \$275,000 Department of Transportation Santa Cruz 05N-SCr-1 R0.0/R2.7	In Santa Cruz County, near Watsonville, on Route 1 from the Pajaro River Bridge to Struve Slough Bridge. The work involves widening and rehabilitating the existing four-lane freeway, seismically retrofitting four (4) concrete bridges, and upgrading bridge rails. The project has been completed. Supplemental funds are needed to resolve claims and closeout project.	166201 0526E 1996/97 301-0042 301-0890 20.20.201.120 SHOPP	\$786,000 \$6,061,300 \$6,847,300	\$32,000 \$243,000 \$275,000	\$818,000 \$6,304,300 \$7,122,300



PROJECT DESCRIPTION

The project is in Santa Cruz County, near Watsonville, on Route 1 from the Pajaro River Bridge to the Struve Slough Bridge. The work involves widening and rehabilitating the existing four-lane freeway, seismically retrofitting four (4) concrete bridges, and upgrading bridge rails.

FUNDING STATUS

This project was programmed in the 1996 SHOPP for \$6,179,000 for construction in the 1997/98 Fiscal Year. In May 1997, the California Transportation Commission voted the programmed amount. In November 1997, the contract was awarded for \$6,043,000. Pursuant to the Department's delegated authority under Resolution G-12, the project was allotted \$700,000 in June 2002 to fund Contract Change Orders and \$104,300 in October 2002 to resolve claims submitted by the Contractor. This request of \$275,000 in supplemental funds results in an overall increase of 18% above the award allocation.

BACKGROUND

This project is part of the statewide program to seismically retrofit all bridges on the State Highway System. The project brought the highway and bridge shoulders up to current standards, and upgraded the bridge rails as well. Four bridges were widened and seismically retrofitted.

REASON FOR INCREASE

Additional funds are needed to resolve claims submitted by the Contractor. The claims have been justified by State audit to have entitlement. The most costly claim resulted from a 13-month delay to the project due to a change in environmental regulations listing Steelhead Trout as an endangered species. The Contractor incurred additional field office overhead expenses, and \$245,189 is requested to compensate for this delay. Another claim arose because of the 1998/1999 winter storms that resulted in higher than average river flows. The higher flows produced additional sediment at the bridge piers during the winter delay, and it was necessary for the Contractor to remove this material to complete the bridge construction. An additional \$9,704 is requested for this work. The Contractor is also due \$44,636 for extra work bills that have been resolved. The remaining contingency balance in the project is approximately \$25,000, so \$275,000 in additional funds is needed to compensate the Contractor.

FUNDING OPTIONS

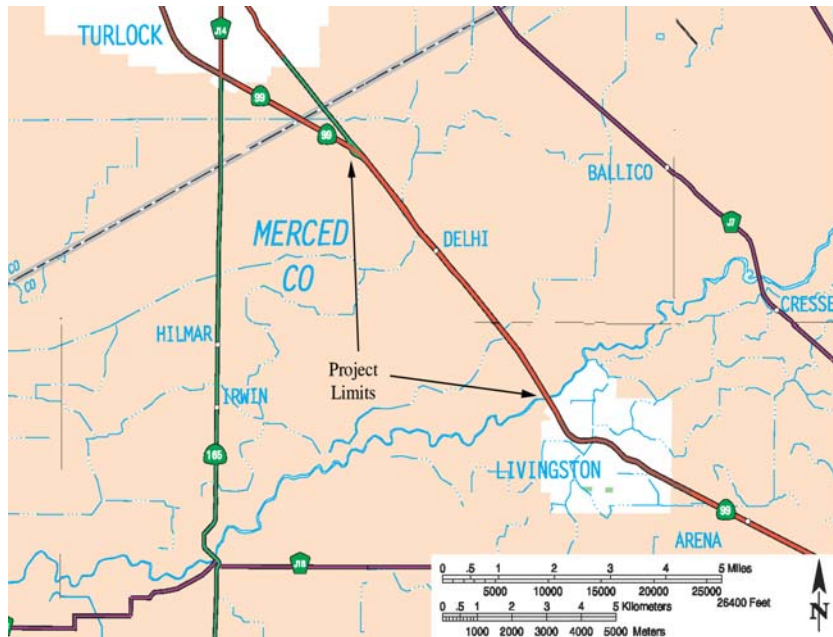
OPTION A: Approve this request as presented above for \$275,000 to closeout the project.

OPTION B: Deny this request and the Contractor would need to pursue legal action to recover any costs to which they may be entitled. Delaying payment may cause additional interest to accrue and increase the final cost.

RECOMMENDED OPTION

The Department recommends that this request for \$275,000, as presented in Option A above, be approved to closeout the project.

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Item # Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
2 \$505,000 Department of Transportation Merced 10N-Mer-99 R30.8/36.4	In Merced County, at and near Delhi, at various locations south of the Merced River Bridge to just north of South Turlock Overcrossing. The work involves replacing the existing bridge over Merced River, constructing two freeway interchanges at South Avenue and Bradbury Road, and eliminating two at-grade intersections at August Avenue and Bradbury Road. Supplemental funds are needed to resolve claims and closeout project.	0437U1 0551 1998/99 301-0042 301-0890 20.20.025.513 STIP	\$3,015,000 \$23,277,000 \$26,292,000	\$58,000 \$447,000 \$505,000	\$3,073,000 \$23,724,000 \$26,797,000



PROJECT DESCRIPTION

The project is in Merced County, at and near Delhi, at various locations south of the Merced River Bridge to just north of South Turlock Overcrossing. The work involves replacing the existing bridge over Merced River, constructing two freeway interchanges at South Avenue and Bradbury Road, and eliminating two at-grade intersections at August Avenue and Bradbury Road.

FUNDING STATUS

The project was originally programmed in the 1998 STIP for \$24,900,000 with Interregional Improvement Program (IIP) funds for construction in the 2001/02 Fiscal Year. In July 1998, the California Transportation Commission (CTC) voted the programmed amount. In October 1998, the contract was awarded for \$23,720,000. Pursuant to the Department's delegated authority under Resolution G-12, the project was allotted \$1,800,000 in March 1999 for railroad flagging and for importing borrow due to the redesign of the drainage basins caused by the high ground water, and \$772,000 in November 1999 for the removal of lead contaminated soil. This request of \$505,000 in supplemental funds results in an overall increase of 13% above the award allocation.

BACKGROUND

This project replaces an existing bridge over the Merced River and constructs two freeway interchanges, at South Avenue and at Bradbury Road. The project also eliminates two at-grade intersections at August Avenue and Bradbury Road. The highway and structure work was completed in November 2000. The project is currently in the plant establishment phase.

REASON FOR INCREASE

During the initial work on the project, it was determined that the water table near the Bradbury Road Interchange was significantly higher than shown on the contract plans. As a result, it was necessary to redesign (raise) the bottom elevation of the drainage basins to stay away from the ground water. The material from the drainage basins was going to be used to construct the embankments for Bradbury Road Overcrossing and Overhead. After completion of the work, claims were submitted for the additional costs related to the extra borrow material used to construct the embankments for the Bradbury Road Overcrossing and Overhead structures. A settlement agreement has been reached that settles all claims with the Contractor for a sum of \$900,000 including interest. The remaining contingency balance in the project is approximately \$395,000, so \$505,000 in additional funds is needed to compensate the Contractor.

FUNDING OPTIONS

OPTION A: Approve this request as presented above for \$505,000 to closeout the project.

OPTION B: Deny this request and the Contractor would need to pursue legal action to recover any costs to which they may be entitled. Delaying payment may cause additional interest to accrue and increase the final cost.

RECOMMENDED OPTION

The Department recommends that this request for \$505,000, as presented in Option A above, be approved to closeout the project.

2.5 Highway Financial Matters

Project # Allocation Amount Recipient County Dist-Co-Rte Postmile	Location Project Description Reason for Supplemental Funds	EA PPNO Budget Year Item # Prgm Codes Program	State Federal Current Budget Amount	State Federal Additional Allocation	State Federal Revised Total Amount
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